

**MOTOR FUELS TAX RULES COMMITTEE
AGENDA**

The Committee convenes on Thursday, June 4, 2015, 1:30PM at:

Idaho State Tax Commission

Room 1CR5 / Plaza IV / 800 Park Ave / Boise, Idaho

1:30 pm – Call to order

1. Committee Chair report

Don Williams

2. Open discussion on rules proposed for review.

A. Temporary/Proposed rule:

- a. **Rule 110 CALCULATION OF TAX ON GASEOUS FUELS (Draft 3)**
Temporary/Proposed rule to allow for tax rate changes. Will negotiate proposed rule.

B. Negotiated rule amendments:

- a. **Rule 280 REFUND TO CONSUMERS FOR NONTAXABLE USES OF MOTOR FUELS (No Draft)** Amend so all fuel refunds are filed on Form 75. Audit to provide follow up information.
- b. **Rule 422. DOCUMENTATION FOR IDAHO FULL FEE REGISTRANTS (Draft 2).** Amendment to rule that would remove secondary source verification of annual odometer reading unless the odometer reading is determined to be inaccurate.

3. Next meeting is scheduled for July 2, 2015.

4. Adjourn

For more information, please contact the Committee Chair at don.williams@tax.idaho.gov or call (208) 334-7855; or the Rules Coordinator at sherry.briscoe@tax.idaho.gov or call 208.334.7544. All agendas and rules related documents are posted on our website under the appropriate committee.

MOTOR FUELS TAX RULE 110 (TEMPORARY RULE DRAFT 3)

110. CALCULATION OF MOTOR FUELS TAX ON GASEOUS SPECIAL FUELS (RULE 110).

Section 63-2424, Idaho Code.

01. In General. The following applies to gaseous special fuels: (4-11-15)

a. A gaseous special fuel is a special fuel that is a gas at sixty (60) degrees Fahrenheit and fourteen and seven-tenths (14.7) pounds per square inch absolute. (4-11-15)

b. A gaseous special fuel may be sold at volumes or weights other than those listed in this section, but, must be converted to the volumes and weights used in this section for reporting purposes to ensure that the gaseous special fuels are taxed at the energy equivalent to a gallon of gasoline. (4-11-15)

02. Computing Gaseous Special Fuel Tax Equivalents. ~~The following equivalents will be used when calculating amounts of gaseous special fuel sold and corresponding tax amounts for motor fuels tax reporting purposes.~~ The gaseous special fuel tax is computed by multiplying the percentage of gasoline gallon energy equivalent times the current gasoline tax rate for each type of gaseous special fuel. Gaseous special fuel distributors are required to report the volumes and tax as required on the fuel distributor form.

Motor Fuel	BTUs per liquid gallon or gallon equivalent	Tax per liquid gallon	<u>Equivalent</u> Volume per Gasoline-Gallon Equivalent (GGE)	Tax per GGE	<u>Volume per Diesel</u> <u>Percentage of</u> <u>Gasoline</u> Gallon <u>Energy</u> Equivalent (DGE)	Tax per DGE
Gasoline	127,000	\$0.25	1 gallon	\$0.25	N/A-100%	N/A
Propane	92,000	\$0.184	1.39 gallon <u>4.25 lbs. or 1 gallon</u>	\$0.25	N/A-72.44%	N/A
Compressed Natural gas (CNG)	N/A-127,000 <u>per GGE</u>	N/A	126.67 cu. ft. or 5.66 lbs. @ 60° F	\$0.25	N/A-100%	N/A
Liquefied Natural Gas (LNG)	84,800 <u>138,400 per DGE</u>	\$0.167	N/A- <u>6.06 lbs.</u>	N/A	<u>6.06 lbs</u> <u>108.98%.</u>	\$0.273
Diesel	138,400	\$0.25	N/A	N/A	1-gallon	\$0.25

(4-11-15) ()

MOTOR FUELS TAX – RULE 280 (REPEAL RULE)

Similar language in Rule 250.06.

~~**280. REFUND TO CONSUMERS FOR NONTAXABLE USES OF MOTOR FUELS (RULE 280).**~~

~~The Idaho Form 75 must be used to claim a fuels tax refund for all nontaxable uses of Idaho tax-paid motor fuels, except for refunds claimed by IFTA licensees for nontaxable miles which must be claimed on the licensee's IFTA return.~~

~~(5-3-03)~~

MOTOR FUELS TAX RULE 422 (RULE DRAFT 2)

422. DOCUMENTATION FOR IDAHO FULL FEE REGISTRANTS (RULE 422).

Section 49-439, Idaho Code.

01. Records Required For Idaho Full Fee Registrations. Registrants must keep adequate records to ~~verify~~ substantiate the accuracy of any Idaho Full Fee registration application submitted to the Idaho Transportation Department. These records must include all summaries and source documents for all registered vehicles, except for full fee vehicles registered at less than sixty-two thousand (62,000) lbs. ~~gvw~~ gross vehicle weight or those registered at the maximum tier, which is more than fifty thousand (50,000) miles per year. Registrants should ~~To provide primary and secondary two source verification documents to support of~~ the distance reported on the application. Source documents are not limited to those listed below, registrants must keep records by individual vehicle for each reporting period of July 1st through June 30th using two (2) of the following recordkeeping options: ~~(3-29-10) ()~~

a. Distance Measuring Devices. Odometer, hubometer, GPS or perpetual life-to-date readings ~~must be supported by a second source of documentation such as fuel purchases, trip logs, or daily logs.~~ Registrants should record the odometer or hubometer reading on the first day of each calendar quarter for each vehicle, at a minimum. ~~(3-29-10) ()~~

b. Trip Logs. Daily trip logs should show date of travel, origin and destination of the trip, and number of miles traveled. Daily trip sheets should be supported by load tickets, billing invoices, or other original source documents that can be used as verification of miles traveled. If odometer or hubometer readings are also recorded, registrants should record the beginning odometer or hubometer reading for each trip. ~~(3-29-10) ()~~

c. Number of Trip/Round Trip Miles. This method is used by registrants making numerous short trips from the same origin to the same destination. Computations should be supported by scale tickets, load tickets, or a Commission approved trip analysis. If odometer or hubometer readings are also recorded, registrants should record the beginning odometer or hubometer reading for each day. ~~(3-29-10) ()~~

d. Fuel Purchases. Records of fuel purchases must be supported by fuel invoices that show date, location, quantity, and type of fuel purchased. Bulk fuel use must be supported by fuel purchase invoices, withdrawal records, and bulk fuel reconciliations. Fuel purchase records ~~should~~ must include the usage per unit. If fuel purchases are used to determine miles, the records ~~should~~ must contain documentation of how the average miles-per-gallon (MPG) was calculated. If odometer or hubometer readings are also recorded, registrants should record the odometer or hubometer reading on the fuel purchase invoice each time the vehicle is fueled. ~~(3-29-10) ()~~

02. Credit For Off-Road Miles And Documentation Required. Credit for off-road miles may be given for roads not maintained by a government entity or roads built or maintained by the registrant pursuant to a contract, according to Subsection 292.03 of these rules. These include roads on private property, roads under construction but not open to the public, and may include designated Forest Service roads. Off-road miles must be documented by using odometer

readings, maps, contracts, GPS readings, or a Commission approved trip analysis. (3-29-10)

03. IFTA Licensees with Full Fee Registration. An International Fuel Tax Agreement (IFTA) licensee with full fee registration must maintain records required by IFTA. ()

04. Adequate Records. Inadequate records may result in increased registration fees. Adequate records are records that are sufficient and appropriate to substantiate the actual miles reported on the registrant's application. Sufficiency refers to the quantity of records and means there are enough records to document the operations of the registered vehicles. Appropriateness refers to the quality of records and means that the records contain information that can be used to determine the actual miles the registered vehicles have traveled. ()